ISSN 1718-8377

Volume 5, number 9 March 4, 2011

AS AT DECEMBER 31, 2010

Highlights for December 2010

- Budgetary revenue in December amounts to $6.1 billion, up $358 million compared to last year. Own-source revenue amounts to $4.8 billion while federal transfers stand at $1.3 billion.
- Program spending amounts to $6.0 billion, down $24 million compared to last year.
- Debt service amounts to $589 million, up $117 million compared to December 2009.
- A deficit of $317 million was posted in December 2010.
- Taking the $61 million deposited in the Generations Fund into account, the monthly budgetary balance within the meaning of the Balanced Budget Act shows a deficit of $378 million.

On the basis of the cumulative results as at December 31, 2010, the budgetary balance, within the meaning of the Balanced Budget Act, amounts to $3.0 billion. As forecast in the *Update on Québec's Economic and Financial Situation* of last December 2, the 2010-2011 budget deficit within the meaning of the Balanced Budget Act should amount to $4.6 billion.

SUMMARY OF CONSOLIDATED BUDGETARY TRANSACTIONS
(millions of dollars) **(Unaudited data)**

	December		April to December		*Update on Québec's Economic and Financial Situation*	
	2009[1]	2010	2009-2010[1]	2010-2011	2010-2011	Forecast Growth %
BUDGETARY REVENUE						
Own-source revenue	4 455	4 780	35 616	36 972	50 346	4.9
Federal transfers	1 276	1 309	11 368	11 496	15 375	1.4
Total	**5 731**	**6 089**	**46 984**	**48 468**	**65 721**	**4.1**
BUDGETARY EXPENDITURE						
Program spending	- 6 023	- 5 999	- 45 346	- 46 642	- 62 917	2.2
Debt service	- 472	- 589	- 4 541	- 5 120	- 7 004	14.5
Total	**- 6 495**	**- 6 588**	**- 49 887**	**- 51 762**	**- 69 921**	**3.3**
NET RESULTS OF CONSOLIDATED ENTITIES[2]	**- 21**	**182**	**237**	**751**	**836**	**—**
Contingency reserve					**- 400**	**—**
SURPLUS (DEFICIT)	**- 785**	**- 317**	**- 2 666**	**- 2 543**	**- 3 764**	**—**
BALANCED BUDGET ACT						
Generations Fund[3]	- 58	- 61	- 477	- 474	- 842	—
Stabilization reserve[4]	—	—	433	—	—	—
BUDGETARY BALANCE WITHIN THE MEANING OF THE BALANCED BUDGET ACT	**- 843**	**- 378**	**- 2 710**	**- 3 017**	**- 4 606**	**—**

1 For comparison purposes, expenditure for 2009-2010 has been adjusted to reflect a change made in 2010-2011 to the monthly allocation rates used by the ministère de l'Éducation, du Loisir et du Sport for its networks.
2 These net results are those of non-budget-funded bodies, special funds, the health and social services and the education networks, and the Generations Fund.
3 The budgetary balance within the meaning of the Balanced Budget Act excludes the results of the Generations Fund.
4 The stabilization reserve is used in accordance with the Balanced Budget Act.

Cumulative results as at December 31, 2010

Budgetary balance

- For the period from April to December 2010, the budgetary balance, within the meaning of the Balanced Budget Act, shows a deficit of $3.0 billion, $307 million more than last year.

Budgetary revenue

- As at December 31, 2010, budgetary revenue amounts to $48.5 billion, $1.5 billion more than as at December 31, 2009.
  - — Own-source revenue stands at $37.0 billion, $1.4 billion more than last year.
  - — Federal transfers amount to $11.5 billion, up $128 million compared to December 31, 2009.

Budgetary expenditure

- Since the beginning of the year, budgetary expenditure amounts to $51.8 billion, an increase of $1.9 billion, or 3.8%, compared to last year.
  - — Program spending rose $1.3 billion, or 2.9%, and stands at $46.6 billion. The most significant changes are in the Health and Social Services ($496 million), Education and Culture ($374 million) and Administration and Justice ($180 million) missions.
  - — Debt service amounts to $5.1 billion, up $579 million or 12.8% compared to last year.

Consolidated entities

- As at December 31, 2010, the net results of consolidated entities show a surplus of $751 million.
  - — Revenue dedicated to the Generations Fund amounts to $474 million.

Net financial requirements

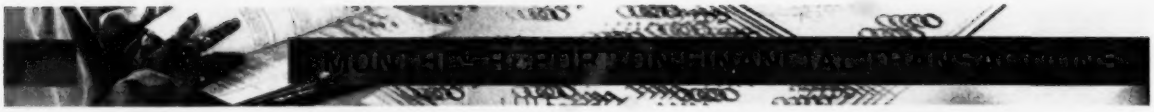
- As at December 31, 2010, consolidated net financial requirements stand at $8.1 billion, a decrease of $924 million compared to last year. The financial requirements reflect the current budget deficit as well as the variation, from one year to the next, in receipts and disbursements made in the course of the government's operations.

CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS

(millions of dollars) **(Unaudited data)**

	December			April to December		
	2009[1]	2010	Change	2009-2010[1]	2010-2011	Change
BUDGETARY REVENUE						
Own-source revenue	4 455	4 780	325	35 616	36 972	1 356
Federal transfers	1 276	1 309	33	11 368	11 496	128
Total	**5 731**	**6 089**	**358**	**46 984**	**48 468**	**1 484**
BUDGETARY EXPENDITURE						
Program spending	- 6 023	- 5 999	24	- 45 346	- 46 642	- 1 296
Debt service	- 472	- 589	- 117	- 4 541	- 5 120	- 579
Total	**- 6 495**	**- 6 588**	**- 93**	**- 49 887**	**- 51 762**	**- 1 875**
NET RESULTS OF CONSOLIDATED ENTITIES	**- 21**	**182**	**203**	**237**	**751**	**514**
SURPLUS (DEFICIT)	**- 785**	**- 317**	**468**	**- 2 666**	**- 2 543**	**123**
Consolidated non-budgetary surplus (requirements)	- 1 752	- 1 790	- 38	- 6 336	- 5 535	801
CONSOLIDATED NET FINANCIAL SURPLUS (REQUIREMENTS)	**- 2 537**	**- 2 107**	**430**	**- 9 002**	**- 8 078**	**924**

1 For comparison purposes, expenditure for 2009-2010 has been adjusted to reflect a change made in 2010-2011 to the monthly allocation rates used by the ministère de l'Éducation, du Loisir et du Sport for its networks.



CONSOLIDATED REVENUE FUND REVENUE

(millions of dollars) (Unaudited data)

	December			April to December		
			Change			Change
Revenue by source	**2009**	**2010**	**%**	**2009-2010**	**2010-2011**	**%**
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	1 722	2 032	18.0	13 384	14 100	5.3
Contributions to Health Services Fund	484	481	- 0.6	4 149	4 291	3.4
Corporate taxes	475	329	- 30.7	2 417	2 377	- 1.7
Consumption taxes	1 286	1 318	2.5	10 689	11 388	6.5
Other sources	186	197	5.9	1 877	2 002	6.7
Total own-source revenue excluding government enterprises	**4 153**	**4 357**	**4.9**	**32 516**	**34 158**	**5.0**
Revenue from government enterprises	**302**	**423**	**40.1**	**3 100**	**2 814**	**- 9.2**
Total own-source revenue	**4 455**	**4 780**	**7.3**	**35 616**	**36 972**	**3.8**
Federal transfers						
Equalization	696	712	2.3	6 266	6 414	2.4
Health transfers	348	363	4.3	3 117	3 220	3.3
Transfers for post-secondary education and other social programs	120	123	2.5	1 073	1 084	1.0
Other programs	112	111	- 0.9	912	778	- 14.7
Total federal transfers	**1 276**	**1 309**	**2.6**	**11 368**	**11 496**	**1.1**
BUDGETARY REVENUE	**5 731**	**6 089**	**6.2**	**46 984**	**48 468**	**3.2**

CONSOLIDATED REVENUE FUND EXPENDITURE

(millions of dollars) (Unaudited data)

	December			April to December		
			Change			Change
Expenditures by mission	**2009[1]**	**2010**	**%**	**2009-2010[1]**	**2010-2011**	**%**
Program spending						
Health and Social Services	2 501	2 597	3.8	20 556	21 052	2.4
Education and Culture	1 723	1 766	2.5	11 320	11 694	3.3
Economy and Environment	696	694	- 0.3	5 615	5 750	2.4
Support for Individuals and Families	485	517	6.6	4 246	4 357	2.6
Administration and Justice	618	425	- 31.2	3 609	3 789	5.0
Total program spending	**6 023**	**5 999**	**- 0.4**	**45 346**	**46 642**	**2.9**
Debt service	**472**	**589**	**24.8**	**4 541**	**5 120**	**12.8**
BUDGETARY EXPENDITURE	**6 495**	**6 588**	**1.4**	**49 887**	**51 762**	**3.8**

1 For comparison purposes, expenditure for 2009-2010 has been adjusted to reflect a change made in 2010-2011 to the monthly allocation rates used by the ministère de l'Éducation, du Loisir et du Sport for its networks.

For information on this monthly report, contact Luc Monty at 418 691-2225.
The report is also available on the ministère des Finances du Québec website: www.finances.gouv.qc.ca.